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Second District

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Fifth District

January 4, 2006

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: David E. Janssen  
Chief Administrative Officer

**SACRAMENTO UPDATE**

**Legislative Session Outlook**

Our Sacramento office advises that President Pro Tempore Perata held a press-availability breakfast this morning in his office to discuss his outlook for the 2006 Legislative Session. Subsequently, our Sacramento staff was provided a brief summary of his remarks.

The Senator indicated that he intends to work cooperatively with the Governor this year on the Budget, bonds and the other issues that confront the State. On the subject of infrastructure and bonds, he indicated that the decisions on the amounts and purposes of the 2006 bond package will be decided by a two-house conference committee. It is likely that this will be done some time later in the legislative session. In past years, this typically has occurred after the Budget agreement(s) have been finalized.

Regarding education, he said that there would be a Senate hearing scheduled on January 25 on the State's teacher shortage. On a related note, sources in the Capitol said that the Hewlett and Gates Foundations, during the course of the year, are going to be producing an analysis of "what it takes to educate a child in California". In addition to an estimate of the cost to educate a child, the study will also include ideas on possible efficiencies and reforms.

The Senator was asked about the articles in the LA Times and other papers, reporting that the Governor's Budget is slated to give K-12 education \$1.7 billion over and above the FY 2006-07 Proposition 98 funding guarantee. His response was that the news was encouraging and that he is looking forward to a cooperative resolution of this issue.

Speaker Nunez shared his outlook for the 2006 Legislative Session with the full Assembly at the end of the opening Assembly Floor session early this afternoon. He opened his remarks with the statement that the Legislature and Governor should not bury the hatchet from the 2005 Special Election. Instead, he suggested that they should mount it on the wall as a reminder of what should be avoided in 2006.

He elaborated that partisan divisions should be put aside in 2006, and everyone should work towards the common goal of improving California. He pledged that his caucus is prepared to meet the Governor half-way. He advised the House that compromise is not capitulation, and he praised Minority Leader McCarthy and the Assembly Republicans for their cooperation and comity last year.

The Speaker said that Education must be at the top of the list of priorities for the State, and that he was encouraged to hear about the Governor's desire to provide over \$100 million in additional funds to Higher Education and \$1.7 billion in new funds to K-12 Education. He also mentioned the Governor's apparent desire to increase the minimum wage as another example of why he is ultimately encouraged about what can be done this year. He indicated that, because this is an election year, agreement will not be easy, but that it was his ultimate belief that they could cooperatively accomplish much this year.

#### **State of the State and Proposed State Budget**

Governor Schwarzenegger is scheduled to deliver his State of the State address tomorrow at 5:00 p.m. In addition, he will release his Proposed State Budget for FY 2006-07 on Tuesday, January 10, 2006.

We will continue to keep you advised.

DEJ:GK  
MAL:DW:hg

c: All Department Heads  
Legislative Strategist